

Rules of Procedure of the Fiscal Council

Text unified in a coherent structure with the amendments

- approved by the Fiscal Council's Resolution 3/2012.06.08 and amended by the Council's Resolution 10/2012.10.29 –

According to Indent 'f', paragraph 23 of the 2011 Act CXCV on the Financial and Economic Stability of Hungary (further: AFESH) the Fiscal Council shall determine its Rules of Procedure as follows:

1. General Provisions

- 1.1. Official name: Fiscal Council (further: Council, abbreviated: FC); Seat: Budapest, Kossuth tér 1-3;
Postal address: Költségvetési Tanács/Fiscal Council, Budapest, 1357;
Phone: +36 1 441 4057, Fax: + 36 1 441 4051;
E-mail: koltsegyvetesitanacs@parlament.hu
- 1.2. The Council's Secretariat shall not carry out independent management; conditions of its operation shall be ensured by the Office of the Hungarian National Assembly.

2. General Operational Principles of the Council

- 2.1. In issues referred to the sphere of authority of the Council it shall establish a board opinion that shall be represented by the Chairman before the National Assembly.
- 2.2. The Council shall perform its tasks subjected exclusively to the Fundamental law and the laws; it shall not be instructed by other organizations or persons and its decisions shall not be influenced in any way.
- 2.3. Members of the Council shall formulate their respective opinion independently; when representing their position they shall be independent.
- 2.4. The Chairman of the Council shall have the authority to participate in the meetings of the National Assembly and its committees and shall have the right to explain his opinion when they discuss the Budget Act or its amendment. In harmony with the respective decision of the Council, the Chairman shall participate in the debate and represent the Council's opinion.

3. Preparation of the Meeting of the Council

- 3.1. The Council shall hold its meetings as necessary, in harmony with its tasks stipulated by Paragraphs 23 – 26 of the AFESH and by considering the agenda of the National Assembly.

- 3.2. It is the Chairman who shall call together and chair the meetings of the Council, by notifying the members about the agenda and by sending out the available materials for the discussion. The invitation to the meeting of the Council can be in the form of a letter, fax or e-mail but, in cases of urgent matters, it can be made by phone call. It shall contain, at least, the exact date and time of the meeting and the planned agenda items. In case the Chairman is not available, he/she shall entrust another member of the Committee with the calling to order and chairing of the meeting. Otherwise, there shall be no room for his/her replacement at the Council's meetings. Upon the initiative of two members the Council shall be convened.
- 3.3. The meetings of the Council shall be convening at the seat of the Council. With the prior agreement of the members of the Council, the meeting/s can be held outside the Council's seat.

4. The Meeting and the Decision of the Council

- 4.1. The Council shall form its opinion at its meetings.
- 4.2. The meetings of the Council are not public.
- 4.3. The meeting of the Council members shall have quorum when the majority are present. The Council shall decide by open voting and simple majority.
- a) According to the procedure stipulated by paragraph 4.11.- in cases when AFESH stipulates a one day deadline for the Council to reach its decision, members of the Council have the option to exercise their legal obligation set by AFESH, by resorting to the use of electronic communication tools, instead of personal involvement, to thus insure adequate documentation.
 - b) In case lack of material conditions prevents the absentee member in forming his/her opinion, the member shall be entitled to deny participation in the voting process.
- 4.4. The agreement of two members of the Council shall be necessary to adopt the agenda of the meeting. Any member of the Council shall be entitled to propose agenda items, both prior to and in the course of the meeting however, issues not listed among the agenda items shall be discussed only when all members are present at the meeting and univocally agree to discussing the item not listed on the agenda.
- 4.5. Staff members of the Council's Secretariat and experts can also attend the meetings of the Council. An agreement of two member of the Council shall be necessary for the listening to the opinion of the invitees, respectively for the endorsement of their participation in the meeting.

- 4.6. Following the discussion of the agenda the Chairman shall close the debate, sum up the essence of what was said, literally describe the recommended resolution, then put to the vote and determine the Council's decision.
- 4.7. With the exception of the case of incapacity, all members of the Council shall sign the documents on the decisions of the Council.
- a) When any member of the Council wishes to identify with the opinion of an expert expounded in the course of a meeting, or wishes to refer to the said opinion when formulating his/her opinion, the member has the option to ask for incorporating in the document to be prepared about the meeting this opinion, as a personal declaration.
 - b) Any member of the Council that remained in minority, respectively represented separate, dissenting opinion, shall not deny his/her signature however, upon his/her request, the above, dissenting opinion, together with his/her explanation shall be attached word by word to the document written on the Council's meeting and published together with the Council's opinion.
 - c) The published decision of the Council shall contain the text of the decision, its explanation, the distribution of the votes by names and – in case of the request of the member representing minority opinion – the dissenting opinion shall have to be attached, according to the wording of the member, representing the said minority opinion.
- 4.8. Depending on the ad hoc decision of the Council, the document prepared about the Council meeting can be made in the form of a protocol or a memo but it shall not be available for the public. Participants of the meeting have the option to decide on publishing the whole or certain, specific parts of the document, or of the related discussion materials. Such a decision requires the understanding of two members of the Council. For publishing the standpoint of any member of the Council expounded at the meeting and recorded in the protocol, the agreement of the concerned member is necessary.
- 4.9. In case no regulations stipulate different rules concerning the publicity of the materials that shall have to be considered by the Council, those shall be available for the public. The Chairman of the Council shall forward the said materials forthwith to the Speaker of the National Assembly with the purpose of publishing it at the website of the National Assembly.
- 4.10. Apart from the opinions that were mentioned at the meeting, the document prepared about the Council's meeting shall contain the decisions of the Council and the text of the majority, summarized by the Chairman. The Council's decision and its justification shall be immediately forwarded to the person who'd initiated the discussing of the concerned agenda item.
- 4.11. Within five days following the Council's meeting the Secretariat of the Council shall prepare the draft of the document about the meeting. From the day of having received the document the members of the Council shall have five days to make remarks by the use of electronic mail. Following the necessary corrections, the Chairman of the Council and its members shall attest the document by their signatures and the Chairman shall send the final protocol to each member of the Council. The

same procedure shall be followed also in case of the documents containing the specific televoting, by the use of electronic communication tools, as described under paragraph 4.4.

5. The Duties of the Chairman and the Supporting of these Duties

5.1 The persons employed at the Secretariat of the Council shall be contracted by the Director General of the Office of the Hungarian National Assembly, upon the recommendation of the Chairman of the Council. With the exception of legal offence, the Director General of the Office of the Hungarian National Assembly shall accept the recommendations of the Chairman of the Council regarding the employment or the termination of employment of the staff. Regarding the additional employer's rights of the employees, it shall be the Chairman of the Council that exercises the said rights, in the capacity of transferred sphere of authority.

The Chairman of the Council

- a) shall ensure that the Council accomplished its duties in harmony with the legal stipulations;
- b) shall act in order to ensure that the Council shall have all the data and information that are required for the performing of its duties and for reaching a well founded decision, in time;
- c) shall ensure that all the data, information and documents, among them those that help the decision-making process and the compilation of draft decisions, shall be at the disposal of the Council; documents prepared by the Council members within their respective powers, shall be presented to the Council via the Chairman, respectively with his acknowledgement;
- d) shall ensure:
 - that the decisions of the Council be sent to the Speaker of the National Assembly and - in case of the Government's request – to the Government;
 - that together with the cooperation of the Secretariat of the Council and the Office of the National Assembly of Hungary, all the administrative tasks, the registering and archiving of documents related to the Council meetings and its operation, the drawing up of protocols, the sending out of final protocols to the members, the management of protocols and resolutions, as well as the publishing of the resolutions on the website of the National Assembly shall be done;
- e) the Chairman shall represent the Council and doing this he/she maintains liaison with:
 - the National Assembly and its committees, as well as the Office of the National Assembly of Hungary;
 - the concerned organizations of the Government and the public administration bodies;
 - the printed and electronic press;
- f) shall represent the decisions of the Council and its board position;
- g) upon request, shall speak about the decisions of the Council and any issues concerning the activities of the Council when he/she considers this justified, or – shall approach any member of the Council, in case he/she were unable to perform this obligation;
- h) shall represent the Council in international relations.

5.2. In the course of carrying out his/her work, as described in paragraph 5.1., the Chairman shall direct the work of the Secretariat of the Council and shall be entitled to apply for the support of external experts;

5.3. In the course of carrying out his/her work, as described in paragraph 5.1., the Chairman of the Council is authorised to rely on the professional cooperation of the staff of the State Audit Office of Hungary and the Central Bank of Hungary – following his/her prior informing of such intent the members of the Council, having their ad-hoc agreement and through the said members – and, additionally, he/she is authorised to use the budget related data bases of the State Audit Office of Hungary and the Central Bank of Hungary, while observing the respective confidentiality rules.

6. Closing regulations

6.1. The agreement of two members of the Council shall be required for the approval and the amendment of the Rules of Procedure.

6.2. The present Rules of Procedure shall be valid from the day of its acceptance.

6.3. The Council shall publish the present Rules of Procedure on the website of the National Assembly of Hungary.

Budapest, 29th October, 2012

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Member of the Fiscal Council

Simor András
Member of the Fiscal Council

Dr. Kovács Árpád
Chairman of the Fiscal Council